



**HOUSING AUTHORITY
of the County of Los Angeles**

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Gloria Molina
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Commissioners

Carlos Jackson
Executive Director

December 9, 2003

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors and Commissioners:

**RESOLUTIONS APPROVING ISSUANCE OF MULTIFAMILY HOUSING MORTGAGE
REVENUE BONDS FOR SENIOR DEVELOPMENT IN UNINCORPORATED
HACIENDA HEIGHTS (4)
(3 Vote)**

**IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS, AS THE GOVERNING
BODY OF THE COUNTY OF LOS ANGELES:**

1. Acting in the role of Responsible Agency for the site acquisition and construction of a 75-unit affordable senior rental development, to be located at 15554 Gale Avenue in the Hacienda Heights area of unincorporated Los Angeles County, certify that the County of Los Angeles has independently considered and reached its own conclusions regarding the environmental effects of the project and the Initial Study/Mitigated Negative Declaration (IS/MND) and Mitigation Monitoring and Reporting Program (MMP) adopted by the Community Development Commission of the County of Los Angeles, as Lead Agency, and determine that the IS/MND and MMP adequately address the environmental impacts of the project, and adopt by reference the Commission's environmental findings in connection with approval of the project.

2. Adopt and instruct the Chairman to sign a Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, approving the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an amount not exceeding \$5,500,000, to assist Hacienda Senior Partners, L.P. (the Developer) finance the site acquisition and construction of Harmony Creek Senior Housing.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS, AS THE GOVERNING BODY OF THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES:

1. Acting in the role of Responsible Agency for the site acquisition and construction of a 75-unit affordable senior rental development, to be located at 15554 Gale Avenue in the Hacienda Heights area of unincorporated Los Angeles County, certify that the Housing Authority of the County of Los Angeles has independently considered and reached its own conclusions regarding the environmental effects of the project and the Initial Study/Mitigated Negative Declaration (IS/MND) and Mitigation Monitoring and Reporting Program (MMP) adopted by the Community Development Commission of the County of Los Angeles, as Lead Agency, and determine that the IS/MND and MMP adequately address the environmental impacts of the project, and adopt by reference the Commission's environmental findings in connection with approval of the project.
2. Adopt and instruct the Chairman to sign a Resolution, as required under Sections 1.142-4 and 1.150-2 of the Treasury Regulations, declaring an intent by Hacienda Senior Partners, L.P. (the Developer), to undertake financing, in an amount not exceeding \$5,500,000, for site acquisition and construction of Harmony Creek Senior Housing, a 75-unit affordable senior rental development, to be located at 15554 Gale Avenue in unincorporated Hacienda Heights.
3. Authorize the Executive Director of the Housing Authority to submit an application to the California Debt Limit Allocation Committee (CDLAC) for a private activity bond allocation in an aggregate amount not exceeding \$5,500,000, for the purposes described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to approve the issuance of Multifamily Housing Mortgage Revenue Bonds in an aggregate amount not exceeding \$5,500,000, to induce the Developer to undertake the project, which does not obligate the Housing Authority to

issue the bonds, and to authorize the Executive Director of the Housing Authority to apply to CDLAC for a private activity bond allocation in the same amount, in order to finance acquisition and construction.

FISCAL IMPACT/FINANCING:

No County costs will be incurred. The Developer will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On September 16, 2003, the Board of Commissioners of the Community Development Commission approved a loan of \$4,400,000 in Home Investment Partnership (HOME) Program funds for Harmony Creek Senior Housing, consisting of 74 units of affordable senior housing and one manager's unit.

The proposed bond issue will provide additional financing for the project and reserve at least 20 percent of the units for households with incomes up to 50 percent of the area median income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area (MSA), adjusted for family size, as defined by the U.S. Department of Housing and Urban Development (HUD). The affordability requirement will remain in effect for a minimum of 30 years.

Adoption of the Resolution by the Board of Supervisors approving issuance of the bonds is required prior to submission of the Housing Authority's application to CDLAC for a private activity bond allocation. This action does not, however, authorize the issuance and sale of the bonds. The Housing Authority will return to the Board for this authorization at a later date.

Adoption of the Resolution by the Board of Commissioners of the Housing Authority announcing the intent to issue Multifamily Housing Mortgage Revenue Bonds, is required to establish a base date after which costs incurred by the Developer may be included in the construction and permanent financing obtained pursuant to issuance of the tax-exempt bonds. The Resolution is also required to complete the Housing Authority's application to CDLAC.

On December 8, 2003, the Housing Authority conducted a hearing, at its office located at 2 Coral Circle in the City of Monterey Park, regarding the issuance of multifamily bonds to finance Harmony Creek, pursuant to Section 147(f) of the Internal Revenue Code. No comments were received at the public hearing concerning the issuance of the bonds or the nature and location of the project.

The attached Resolutions were prepared by Orrick, Herrington & Sutcliffe, Housing Authority Bond Counsel, and approved as to form by County Counsel. On November 19, 2003, the Housing Commission recommended approval of the proposed actions.

ENVIRONMENTAL DOCUMENTATION:

An Environmental Assessment was prepared for the Harmony Creek project pursuant to the requirements of the National Environmental Policy Act of 1969 (NEPA). Based on the conclusions and findings of the Environmental Assessment, a Finding of No Significant Impact was approved by the Community Development Commission on July 2, 2003. Following the required public and agency comment period, HUD issued a Release of Funds for the project on September 19, 2003.

Consistent with the provisions of the California Environmental Quality Act (CEQA) Guidelines, Article 14, Section 15221, notice was provided to the public that the Environmental Assessment would be used in place of an Initial Study to satisfy CEQA requirements. The Environmental Assessment/Mitigated Negative Declaration (EA/MND) was circulated for public review as required by state and local law. Adoption by the Board of Commissioners of the Community Development Commission of the EA/MND and the Mitigation Monitoring and Reporting Plan on September 16, 2003, and filing of a Notice of Determination, meets the requirements of CEQA.

The environmental review record is available for viewing by the public during business hours at the Housing Authority's main office located at 2 Coral Circle, Monterey Park.

IMPACT ON CURRENT PROJECT:

The proposed action will increase the supply of affordable senior housing in the County.

Respectfully submitted,

CARLOS JACKSON
Executive Director

Attachments: 2

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING
AUTHORITY OF THE COUNTY OF LOS ANGELES DECLARING
ITS OFFICIAL INTENT TO UNDERTAKE
THE FINANCING OF A MULTIFAMILY HOUSING PROJECT
AND RELATED ACTIONS

WHEREAS, the Housing Authority of the County of Los Angeles (the "Authority") is authorized and empowered by the provisions of Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act") to issue and sell mortgage revenue bonds for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, Hacienda Senior Partners, L.P. (or an affiliate or assign) (the "Borrower"), has requested that the Authority issue and sell its mortgage revenue bonds pursuant to the Act to provide financing for the acquisition and construction of a 75-unit multifamily rental housing development to be located at 15554 Gale Avenue in unincorporated Los Angeles County (the "Project"); and

WHEREAS, this Board of Commissioners of the Authority (the "Board") hereby finds and declares that it is necessary, essential and a public purpose for the Authority to finance multifamily housing projects pursuant to the Act, in order to increase the supply of multifamily housing in Los Angeles County available to persons and families within the income limitations established by the Act; and

WHEREAS, as an inducement to the Borrower to carry out the Project, this Board desires to authorize the issuance of mortgage revenue bonds by the Authority in a principal amount not to exceed \$5,500,000; and

WHEREAS, the Authority, in the course of assisting the Borrower in the financing of the Project expects that the Borrower has paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project within 60 days prior to the adoption of this Resolution prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, Section 1.142-4 and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State of California (the "Government Code") governs the allocation of the state ceiling

among governmental units in the State of California having the authority to issue multifamily housing mortgage revenue bonds; and

WHEREAS, Section 8869.85 of the Government Code requires a local agency to file an application with the California Debt Limit Allocation Committee ("CDLAC") prior to the issuance of multifamily housing mortgage revenue bonds; and

WHEREAS, this Board hereby finds and declares that this Resolution is being adopted pursuant to the powers granted by the Act.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The above recitals, and each of them, are true and correct.
2. This Board hereby determines that it is necessary and desirable to provide financing for the Project by the issuance and sale of mortgage revenue bonds pursuant to the Act and hereby authorizes the issuance and sale of such bonds by the Authority in aggregate principal amounts not to exceed \$5,500,000. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, provided that nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any officer, agent or employee of the Authority will grant any approval, consent or permit which may be required in connection with the acquisition and construction of the Project or the issuance of the bonds.
3. The issuance and sale of the bonds shall be upon such terms and conditions as may be agreed upon by the Authority and the Borrower and the initial purchasers of the bonds; provided, however, that the bonds shall not be sold or issued unless specifically authorized by the subsequent resolution of this Board.
4. This Resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.142-4 and Section 1.150-2 of the Treasury Regulations. In that regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. Notwithstanding the foregoing, this Resolution does not bind the Authority to make any expenditure, incur any indebtedness, including the issuance of such bonds, or proceed with the Project.
5. The proper officers of the Authority are hereby authorized and directed to apply to CDLAC for a private activity bond allocation for application by the Authority to the issuance of bonds for the Project in an amount not to exceed \$5,500,000, to collect from the Borrower an amount equal to one-half of one percent (.5%) of their requested allocation, and to certify to CDLAC that such amount has been placed on deposit in an account in a financial institution.
6. The proper officers of the Authority are hereby authorized and directed to take whatever further action relating to the aforesaid financial assistance may be deemed reasonable and desirable, provided that the terms and conditions

under which the bonds are to be issued and sold shall be approved by this Board in the manner provided by law prior to the sale thereof.

7. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles, State of California, this ____ day of _____, 2003, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chairman of the
Board of Commissioners

ATTEST:

Violet Varona-Lukens
Executive Officer-Clerk
of the Board of Commissioners

By: _____
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By: _____
Deputy